

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

22 Plaintiff Transport Technologies, LLC
23 ("Plaintiff"), brought this Action against Defendant
24 Los Angeles County Metropolitan Transportation
25 Authority ("Defendant") for patent infringement. All
26 of the asserted claims of Plaintiff's Patent have been
27 deemed unpatentable, and thus both parties agree that
28 this case must be dismissed. The issue left for the

1 Court to decide is how to dismiss the case. Before the
2 Court is Plaintiff's Motion to Dismiss the Case as Moot
3 ("Motion") [76]. For the reasons set forth below, the
4 Court **GRANTS** the Motion.

5 **I. BACKGROUND**

6 **A. Factual and Procedural Background**

7 Plaintiff is a California limited liability company
8 which owns United States Patent 6,980,101 (the "Patent-
9 in-suit"). Compl. ¶¶ 1, 6, ECF No. 1. Defendant is
10 the public transportation agency for the County of Los
11 Angeles. Id. ¶ 2. On August 21, 2015, Plaintiff filed
12 its Complaint [1] against Defendant alleging
13 infringement of claims 1, 3, 6, and 8 of the Patent-in-
14 suit. On April 1, 2016, Plaintiff served Defendant
15 with its Amended Initial Identification of Asserted
16 Claims, alleging that Defendant infringed claims 1, 3,
17 5, 6, 8, and 10 of the Patent-in-suit. See ECF No. 65
18 at 21:12-15.

19 On May 20, 2016, Defendant petitioned the United
20 States Patent and Trademark Office ("USPTO") for *inter*
21 *partes* review of all asserted claims of the Patent-in-
22 suit. On July 22, 2016, the Court stayed this lawsuit
23 pending resolution of the *inter partes* review
24 proceeding [65]. On August 19, 2016, Defendant filed a
25 second petition for *inter partes* review of the Patent-
26 in-suit. On November 17, 2017, the Patent Trial and
27 Appeal Board ("PTAB") issued two final written
28 decisions: one finding all of the asserted claims of

1 the '101 Patent unpatentable, see Los Angeles Cnty
2 Metro. Transp. Auth. v. Trans. Techs, LLC, Case
3 IPR2016-01077, Paper No. 34 (PTAB Nov. 17, 2017), and
4 one finding all of the asserted claims of the '101
5 Patent not unpatentable, see Los Angeles Cnty Metro.
6 Transp. Auth. v. Trans. Techs, LLC, Case IPR2016-01633,
7 Paper No. 22 (PTAB Nov. 17, 2017). Both parties
8 appealed the PTAB's final written decisions to the
9 United States Court of Appeals for the Federal Circuit.

10 On January 9, 2019, the Federal Circuit affirmed
11 the PTAB's determination that all of the asserted
12 claims of the Patent-in-suit are unpatentable. Transp.
13 Techs, LLC v. L.A. Cnty Metro. Transp. Auth., No. 2018-
14 1412, 748 Fed. App'x 325 (Fed. Cir. Jan. 9, 2019). On
15 January 16, 2019, the parties filed a joint status
16 report requesting that the stay in this Action remain
17 in effect until mandate issued [75]. Mandate issued on
18 February 15, 2019. See Ex. A, ECF No. 76-2.

19 II. DISCUSSION

20 A. Dismiss as Moot

21 "[W]hen a [patent] claim is cancelled, the patentee
22 loses any cause of action based on that claim and any
23 pending litigation in which the claims are asserted
24 becomes moot." Fresenius USA, Inc. v. Baxter Int'l,
25 Inc., 721 F.3d 1330, 1340 (Fed. Cir. 2013). Here, the
26 asserted claims of the Patent-in-suit are canceled in
27 light of the PTAB's decision finding the claims
28 unpatentable and the Federal Circuit's decision

1 affirming the PTAB. See 35 U.S.C. § 318(b) (requiring
2 the Director of the PTAB to "issue and publish a
3 certificate canceling any claim of the patent finally
4 determined to be unpatentable" in an *inter partes*
5 review). Thus, this case is moot.

6 Defendant does not contest that the case is moot,
7 but argues that it will suffer legal prejudice unless
8 the case is dismissed with prejudice because it may be
9 subject to future litigation from Plaintiff, and it
10 would not be able to petition for *inter partes* review
11 if such litigation ensues.¹ However, when a case is
12 moot, there is no longer a live case or controversy
13 over which a federal court has Article III
14 jurisdiction. Cole v. Oroville Union High Sch. Dist.,
15 228 F.3d 1092, 1098 (9th Cir. 2000) (citing Friends of
16 the Earth, Inc. v. Laidlaw Env'tl. Servs. (TOC), Inc.,
17 528 U.S. 167, 703-04 (2000)) (stating that mootness is
18 a "jurisdictional issue[] deriving from the requirement

20 ¹ Specifically, Defendant did not invalidate every claim of
21 the Patent-in-suit because it only addressed the asserted claims
22 that it was accused of infringing. Defendant is concerned that
23 unless the case is dismissed with prejudice, Plaintiff will be
24 free to file another infringement suit on the remaining claims
25 that were not addressed in this Action. Defendant argues that it
26 will be unable to petition for *inter partes* review in such future
27 litigation in light of a recent Federal Circuit decision, Click-
28 to-Call Tech. v. Inegnio, Inc., 899 F.3d 1321 (Fed. Cir. 2018),
which held that a complaint that is dismissed without prejudice
is subject to the one year statutory time limit on petitioning
for *inter partes* review set by 35 U.S.C. § 315(b). See 35 U.S.C.
§ 315(b) ("[a]n *inter partes* review may not be instituted if the
petition requesting the proceeding is filed more than 1 year
after the date on which the petitioner . . . is served with a
complaint alleging infringement of the patent.").

1 of a case or controversy under Article III"). Thus,
2 the Court is without jurisdiction to evaluate whether
3 Defendant would suffer legal prejudice in the first
4 place. See Target Training Int'l, Ltd. v. Extended
5 Disc N. Am., Inc., 645 F. App'x 1018, 1025 (Fed. Cir.
6 2016) (citations omitted) ("[A] dismissal for mootness
7 is a dismissal for lack of jurisdiction. A dismissal
8 for lack of jurisdiction is not a dismissal on the
9 merits. Rather, the Supreme Court has specifically
10 rejected deciding the merits of a case where the court
11 lacks jurisdiction because jurisdiction is a threshold
12 question, and '[w]ithout jurisdiction the court cannot
13 proceed at all in any cause.'"). Accordingly, the
14 Court dismisses the case as **MOOT** without prejudice.

15 See Lemaire Illumination Technologies, LLC v. HTC
16 Corp., No. 2:18-CV-00021-JRG, 2019 WL 1489065, at *2
17 (E.D. Tex. Apr. 19, 2019) ("Dismissals for mootness
18 must be without prejudice because federal courts lack
19 jurisdiction to reach the merits of a mooted claim.").²

20

21 ² Even if the Court had jurisdiction, Defendant's
22 speculation about future litigation is insufficient to constitute
23 legal prejudice. See Hamilton v. Firestone Tire & Rubber Co.,
24 Inc., 679 F.2d 143, 145 (9th Cir. 1982) ("Plain legal prejudice .
25 . . does not result simply when defendant faces the prospect of a
26 second lawsuit or when plaintiff merely gains some tactical
advantage."). This is particularly so in light of the fact that
any future litigation regarding the Patent-in-suit would
necessarily involve claims that were not asserted in this Action.
27 Cf. Target Training Intern, Ltd., 645 Fed. Appx. at 1024
28 ("[Plaintiff] cites no authority for the proposition that
unasserted patent claims must be considered by the district court
prior to the dismissal of a case based on cancelled asserted
claims. We know of no authority that so states."). Ultimately,

1 **B. Prevailing Party Status**

2 Pursuant to 35 U.S.C. § 285, "[t]he court in
3 exceptional cases may award reasonable attorney fees to
4 the *prevailing party*" in a patent infringement case.³
5 Id. (emphasis added). Defendant argues that the Court
6 should recognize Defendant as the prevailing party.
7 Plaintiff responds that there can be no prevailing
8 party since the case is moot. Even though the case is
9 moot, the Court retains jurisdiction to decide whether
10 the events which transpired prior to the case becoming
11 moot render Defendant the prevailing party, such that
12 Defendant may be eligible for attorney fees and costs.
13 See Cooter & Gell v. Hartmarx Corp., 496 U.S. 384, 395
14 (1990) ("It is well established that a federal court
15 may consider collateral issues after an action is no
16 longer pending. For example, district courts may award
17 costs after an action is dismissed for want of
18 jurisdiction.").

19 Prevailing party status is achieved where there is
20 a judicially sanctioned "material alteration in the
21

22 the Court cannot preclude Plaintiff from filing a lawsuit on
23 entirely separate claims. See Smith v. Bayer Corp., 564 U.S.
24 299, 307 (2011) (citations omitted) ("[A] court does not usually
25 'get to dictate to other courts the preclusion consequences of
its own judgment.' . . . Deciding whether and how prior
litigation has preclusive effect is usually the bailiwick of the
second court . . .").

26 ³ Defendant does not explicitly link its request to be
27 recognized as the prevailing party to a request for attorney fees
28 under 35 U.S.C. § 285, however it is apparent that that is the
underlying purpose of Defendant's request.

1 legal relationship between the parties." CRST Van
2 Expedited, Inc. v. EEOC, 136 S. Ct. 1642, 1651 (2016).
3 Courts have generally held that cases that are
4 dismissed without prejudice cannot confer prevailing
5 party status. See RFR Industries, Inc. v. Century
6 Steps, Inc., 477 F.3d 1348, 1353 (Fed. Cir. 2007) ("A
7 plaintiff's voluntary dismissal without prejudice . . .
8 does not constitute a change in the legal relationship
9 of the parties because the plaintiff is free to refile
10 its action."); Oscar v. Alaska Dept. of Educ. and Early
11 Dev., 541 F.3d 978, 981 (9th Cir. 2008) ("[D]ismissal
12 without prejudice does not alter the legal relationship
13 of the parties because the defendant remains subject to
14 the risk of re-filing."). Here, the Court refused to
15 dismiss the Action with prejudice. Even though
16 Plaintiff is temporarily prevented from achieving a
17 material alteration of the parties' relationship,
18 Defendant did not invalidate all of the claims of the
19 Patent-in-suit and thus it is still possible that
20 Plaintiff will file another infringement action against
21 Defendant based on the same Patent. As such, the Court
22 concludes that there is no prevailing party in this
23 Action.⁴

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25 ⁴ Defendant cites CRST, 136 S. Ct. at 1651, and Raniere v.
26 Microsoft Corp., 887 F.3d 1298 (Fed. Cir. 2018), for the
27 proposition that a favorable judgment on the merits is not
28 necessary for a defendant to be a prevailing party. This is
true. However, irrespective of whether a case is dismissed for
non-merits reasons, courts have only conferred prevailing party
status where a case is dismissed with prejudice. Defendant fails

1 **C. Costs and Attorney Fees**

2 Defendant argues that in the event that the Court
3 dismisses the case without prejudice, then Plaintiff
4 should pay appropriate costs and attorney fees and
5 requests an opportunity to brief what would constitute
6 appropriate costs and attorney fees here. Defendant
7 does not address why it should be entitled to fees and
8 costs, and the only authority Defendant cites in
9 support of this request are two Ninth Circuit cases:
10 Westlands Water Dist. v. United States, 100 F.3d 94, 97
11 (9th Cir. 1996) and Hamilton v. Firestone Tire & Rubber
12 Co., 679 F.2d 143, 146 (9th Cir. 1982). Both cases
13 discuss the ability of a court to condition the
14 dismissal of a case pursuant to Federal Rule of Civil
15 Procedure 41(a) (2)—which provides for a voluntary
16 dismissal of a case by court order—“on terms that the
17 court considers proper.” Fed. R. Civ. Proc. 41(a) (2).
18 In this context, the court’s decision to condition a
19 dismissal on the imposition of fees and costs is meant
20 to avoid the prejudice that could result from
21 dismissing a case without prejudice. See Westlands
22 Water Dist., 100 F.3d at 97 (“[T]he defendants’
23 interests can be protected by conditioning the
24 dismissal without prejudice upon the payment of
25 appropriate costs and attorney fees.”). However, the

26 to cite any case, nor was the Court able to find any case, where
27 a court granted prevailing party status to a defendant when the
28 case was dismissed on jurisdictional grounds without prejudice.
The Court declines to do so here.

1 dismissal in this case was not voluntary, but rather,
2 was mandated by the Court's lack of jurisdiction now
3 that the claims are moot. As such, the Court had no
4 occasion to address whether Defendant would suffer
5 legal prejudice. Similarly, the Court will not now
6 evaluate whether to condition the dismissal of the case
7 on the imposition of fees and costs, since the case is
8 moot and must be dismissed regardless.

9 Moreover, to the extent that Defendant's request
10 for fees is based on 35 U.S.C. § 285—which allows a
11 prevailing party in a patent infringement suit to
12 recover attorney fees in exceptional cases—Defendant's
13 request similarly fails. As previously discussed,
14 there was no prevailing party in this case. While
15 Defendant has undoubtedly expended considerable time
16 and resources litigating this case before the PTAB and
17 Federal Circuit, it is possible that Plaintiff can re-
18 file its patent infringement case since not all of the
19 claims of the Patent-in-suit have been canceled. Thus,
20 even though Defendant received a favorable ruling in
21 the PTAB, that is not enough for the Court to conclude
22 that Defendant is the prevailing party entitled to fees
23 and costs at this juncture. Thus, the Court **DENIES**
24 Defendant's request for fees and costs.

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III. CONCLUSION

2 Based on the foregoing, the Court **GRANTS**
3 Plaintiff's Motion to Dismiss as Moot Without Prejudice
4 [76]. The Court **DENIES** Defendant's request to be
5 recognized as the prevailing party, and **DENIES**
6 Defendant's request for attorney fees and costs.

8 IT IS SO ORDERED.

10 DATED: May 8, 2019 s/ RONALD S.W. LEW
11 **HONORABLE RONALD S.W. LEW**
Senior U.S. District Judge